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POWER AFRICA



"Access to electricity is ... the connection that's needed to plug Africa into the grid of the global economy.

In partnership with African nations [and the private sector], we're going to develop new sources of energy. We'll reach more households ... We'll expand access for those who live currently off the power grid. And we'll support clean energy to protect our planet and combat climate change.

This is America's vision: a partnership with Africa that unleashes growth, and the potential of every citizen"

*– President Barack Obama
Cape Town South Africa, June 30, 2013*



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The Opportunity



600 Million people in sub-Saharan Africa are
without electricity.



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The Goal



Double access to power in sub-Saharan Africa.

10,000 MW of cleaner, more efficient, cost effective electricity generation capacity and renewable technology.

Increase electricity access by 20 million new households and commercial entities with **on-grid, mini-grid, and off-grid** solutions.

Enhance energy resource management capabilities of partner countries.

Increase the number of country partners participating in the **Regional cross-border energy trade** to at least ten countries.



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Partner Countries



Ethiopia, Ghana, Kenya, Liberia, Nigeria, Tanzania



EGCI (Energy Governance and Capacity Initiative) is a State Department led effort which aims to build the capacity of nations to effectively manage their energy resources.



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USG Approach



- Bring to bear a wide range of U.S. government tools to support investment in Africa's energy sector.
 - The US will commit more than \$7 billion in financial support over the next five years.
 - Provide coordinated support to help African partners expand their generation capacity and access – transaction advisors, interagency group.
- Partnership with multilateral and bilateral agencies.
 - **African Development Bank** – expects to allocate as much as \$3 billion over the next 5 years in the six power Africa countries which will leverage at least 4 times more investments in the energy sector. The Bank's interventions will include investment loans, reforms, advisory, and guarantees.
 - Consultations with **World Bank**, the **European Union**, bilateral donors to coordinate activities and approach.



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Private Sector Commitments



- **General Electric** - help bring online 5,000 MW of new, affordable energy through provision of its technologies, expertise and capital in Nigeria, Ghana, Kenya and Tanzania.
- **Heirs Holdings** - \$2.5 billion of investment and financing in energy, generating an additional 2,000 MW of electricity capacity over 5 years.
- **Husk Power Systems** - complete installation of 200 decentralized biomass-based mini power plants in Tanzania – providing affordable lighting for 60,000 households.
- **Standard Bank Group** - underwrite new transactions and provide US\$150m of debt for transactions in Power Africa countries.
- **Denham Capital** – seek to invest \$2 billion in power generation in Power Africa countries- including wind power generation, solar power generation and thermal power generation



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Sample Projects



Geothermal: The USG is supporting the first geothermal IPP in Ethiopia with technical assistance and legal assistance to support the Government of Ethiopia's negotiation of critical agreements (i.e. PPA)

- **Impact:** Enable Ethiopia to harness its potential 5,000 MW of geothermal power for domestic use or regional export and leverage private sector know-how and financing.



Smart Metering: Power Africa is supporting a U.S. renewable energy company, with operations in Ethiopia to produce 2 million smart meters. Support includes project development grant assistance and a loan guarantee to facilitate local commercial finance for the project.

- **Impact:** Enable Ethiopia's utility and on-grid consumers to better manage distribution and consumption, and reduce high technical and non-technical losses.



Wind: In Kenya, Power Africa is supporting a 300 MW wind project with training for Kenya's utilities on managing intermittent power and is finalizing a twinning exercise, which will pair the Kenyan institutions with U.S. organizations experienced in this field.

- **Impact:** With increased generation from renewables slated to come online over the next several years, capacity building support for management of intermittent power is critical for this 300MW as well as subsequent renewable energy projects.



Hydro: Power Africa is supporting a 10 MW small hydro project along the Kiwira River in Tanzania's southern agricultural corridor.

- **Impact:** The project will expand both the energy access for the local area as well as feed into a larger grid. In addition, the development project will stimulate local commercial finance for the country's energy sector.



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Connect with Us

If you are a business working in (or considering) the power sector in sub-Saharan Africa, we invite you to contact us.

Power Africa currently has 23 Founding Partners in the private sector and we look forward to adding to the list.

Visit <http://www.usaid.gov/powerafrica/partner-power-africa> for more information.